United Nations A/59/736/Add.7

General Assembly

Distr.: General
12 April 2005

Original: English

Fifty-ninth session
Agenda items 123 and 131

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Observer Mission in Georgia

Financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2003/04	$30,727,600
Expenditure 2003/04	$30,477,900
Appropriation 2004/05	$31,925,700
Proposal submitted by the Secretary-General 2005/06	$35,507,500
Recommendation of the Advisory Committee 2005/06	$34,583,300

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions, contained in paragraphs 15, 16, 19 and 25 below, would entail a net reduction of $924,200 in the proposed budget for the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2005 to 30 June 2006 (A/59/634). The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

2. **The Advisory Committee's general report on administrative and budgetary aspects of peacekeeping operations (A/59/736) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the**

05-30565 (E) 210405

paragraphs below, the Committee deals with resources and other items that relate specifically to UNOMIG.

3. The documents used by the Advisory Committee in its consideration of the financing of UNOMIG are listed at the end of the present report.

I. Financial performance report for the period from 1 July 2003 to 30 June 2004

4. The General Assembly, by its resolution 57/333 of 18 June 2003, appropriated an amount of $32,092,900 for the period from 1 July 2003 to 30 June 2004, inclusive of $30,709,000 for the maintenance of the Observer Mission, $1,059,700 for the support account for peacekeeping operations and $324,200 for the United Nations Logistics Base. The additional requirements in connection with the expanded mandate of the Mission owing to the establishment of the civilian police component pursuant to Security Council resolution 1494 (2003) were brought to the attention of the Advisory Committee and absorbed within the approved appropriation. UNOMIG expenditures for the period totalled $30,477,900 gross ($28,338,100 net), reflecting an unutilized balance of $231,100 gross ($410,700 net), or 0.8 per cent gross (1.4 per cent net), as compared with the gross and net amounts appropriated by the General Assembly for the period 2003/2004. Moreover, no expenditures were recorded against the budgeted voluntary contributions in kind of $18,600. This brings the unutilized balance to a total of $249,700 gross (see A/59/622, summary).

5. The unspent balance of $231,100 reflects a net effect of savings of $1,246,000 under operational costs attributable primarily to lower than budgeted expenditures for air transportation (owing to the non-resumption of air patrols by helicopter because of the security situation in the Mission area) and additional requirements of $187,600 for military/police personnel and $827,300 for civilian personnel.

6. The additional requirements of $187,600 under military and police personnel relate mainly to the cost of the civilian police component that was absorbed within the approved appropriation. Additional requirements of $827,300 under civilian personnel are attributable mainly to the cost of international staff and result from a number of factors, including: the new salary scales approved for staff in the Professional and above category and Field Service staff effective 1 January 2003; the increase in the ratio of staff hired under 100-series contracts to staff hired under 300-series contracts from 50/50 to 67/33; and a lower vacancy rate of 9 per cent compared to 10 per cent applied in the budget.

7. The comments of the Advisory Committee on the information in the performance report on the budget of UNOMIG for the period from 1 July 2003 to 30 June 2004 (A/59/622), on individual objects of expenditure can be found, where relevant, in the discussions of the proposed budget for UNOMIG for the period from 1 July 2005 to 30 June 2006 (A/59/634), contained in the paragraphs below, and in its general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/59/736).

II. Information on performance for the current period

8. Rather than include standard statistical data on performance for the current period in each of the individual peacekeeping reports, this time, owing to various constraints, it has been necessary to supply this type of information in consolidated tables that are annexed to the Advisory Committee's general report on peacekeeping operations (ibid.). The information to be provided covers the following: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions.

9. The Advisory Committee recalls that in the course of consideration of the budget for the period 2004/05, it was informed that UNOMIG was not receiving any contributions from the Government of Georgia under the status-of-mission agreement; the Mission was operating out of three airports and negotiations were still under way for UNOMIG to gain exemptions from air navigation and related charges. **According to the administration, no progress has been made since last year and the status-of-mission agreement has still not been signed. The Committee requests that additional efforts be made to resolve the situation expeditiously.**

III. Proposed budget for the period from 1 July 2005 to 30 June 2006

A. Mandate and planned results

10. The Advisory Committee notes that the 2003/04 financial period is the first for which UNOMIG has presented its performance against the planned results-based frameworks set out in the 2003/04 budget: the actual indicators of achievement and the actually completed outputs are compared with the planned indicators of achievement and planned outputs. **However, the Committee is of the view that more needs to be done to improve the results-based budget presentation both in the performance report and in the budget. The formulation of planned and actual indicators of achievement should be significantly improved to make them more transparent, measurable and easily comparable against each other. In this connection, actual indicators of achievement should not contain references to unverifiable data from local sources of information, nor should they include indicators that are inconsistent with the planned achievement or external factors that impede the achievement of the planned results (see actual indicators of achievement under components 1 and 2 of the performance report). The Committee also reiterates its previous observation about the importance of drafting the expected accomplishment, indicators of achievement and planned output under each component in a clear and succinct manner. Moreover, outputs should be worded in a meaningful way and should be attainable within clearly established time frames so that their monitoring and reporting would be facilitated (see A/58/759/Add.1, para. 13).**

11. In connection with the comments and observation of the Board of Auditors on the management review of the staffing and organizational structure of UNOMIG, conducted by the Department of Peacekeeping Operations in April 2003 (A/59/5, vol. II, chap. II, paras. 284-289), the Advisory Committee notes that the report has never been finalized because of the disagreement of the Mission with the scope and conduct of the review. In this connection, the Committee recalls its previous observation that the protracted approach to the management review of the staffing requirements and structure of the Mission was regrettable. The Committee had also expressed concern that after such extensive delays in the implementation of the results, the findings of the review might become irrelevant since the Mission may be facing new challenges in the future (see A/58/759/Add.1, para. 14). In this regard, the Committee notes the Board's observation that the recommendations contained in the report on the management review had been overtaken by events. **The result is that time and resources have been wasted. The administration should draw lessons from this experience and managers should be held accountable for their inaction or delayed action. The Committee also stresses the importance of the Board's recommendation that all reviews undertaken by management should be finalized in a timely manner to ensure the relevance of the findings reported, even if this means reporting on disagreements (see A/59/5, vol. II, chap. II, para. 289).**

12. The annex to document A/59/634 contains the organization chart of UNOMIG. The Advisory Committee notes that the chart includes some organizational units for which information on staffing requirements is not provided. According to the clarification provided to the Committee, there are no civilian personnel in the Tbilisi liaison office, although there are three military observers assigned to it. As far as the Gali Civilian Police Team is concerned, while there are no civilian police there yet (because the local de facto authorities have not agreed to civilian police deployment), once the team is established, UNOMIG is planning to assign language assistants for police advisers.

B. Resource requirements

1. Military and police personnel

Category	*Approved 2004/05*[a]	*Proposed 2005/06*[a]
Military observers[a]	135	135
Civilian police[a]	18	18

[a] Represents highest level of authorized/proposed strength.

13. The Committee notes that of the authorized strength of 135 military observers, the proposed budget for the financial period 2005/06 provides for an average force of 121 military observers, compared with the strength of 115 military observers budgeted for during the 2004/05 financial period. This increase is estimated to require an additional $240,300. The increased number of military observers is attributable to the planned deployment of an additional military observer in the Gali sector and the establishment of the Civil-Military Coordination Office with five military observers.

14. The proposed budget for the financial period 2005/06 provides for an average force of 15 civilian police, compared with 18 civilian police budgeted for during the 2004/05 financial period. The consequential net reduction in resource requirements under civilian police for 2005/06 is estimated at $2,800.

2. Civilian personnel

Category	*Approved 2004/05*	*Proposed 2005/06*
International staff	119	120
National General Service staff	185	230
United Nations Volunteers	—	2

Recommendations on posts

15. *Establishment of a P-5 post of Chief, Technical Services (component 4, support)*, who will be responsible for the overall planning and coordination of technical, logistical, transportation, aviation, communication and information technology support to the Mission. As indicated in the budget submission, the establishment of the post will facilitate a more flexible managerial structure in the Office of the Chief Administrative Officer, where currently 10 functional section chiefs and 3 administrators of sectors report directly to the Chief Administrative Officer. **The Advisory Committee is of the view that the proposal is tantamount to the establishment of a bureaucratic layer between the Chief Administrative Officer and chiefs of sections and units since the requested post would de facto assume the functions of a deputy Chief Administrative Officer. In the opinion of the Committee, the Chief Administrative Officer of a mission the size of UNOMIG should exercise full control of the administrative, technical and logistics activities of the mission and should directly perform all supervisory functions of a management nature. Fragmented functions should be combined, resulting in fewer units, which would simplify direct reporting to the Chief Administrative Officer. The Committee therefore does not recommend the establishment of this additional P-5 post.**

16. *Reclassification of the post of Chief, General Services, from P-4 to P-3 (component 4, support)* owing to the planned transfer of movement control functions under the supervision of the Chief of Technical Services. **In view of its recommendation in the paragraph above, the Advisory Committee recommends that the movement control functions be kept under the responsibility of the Chief of General Services, whose post should be maintained at the P-4 level.**

17. *Establishment of 42 national General Service-level posts for security guards (component 4, support)* to replace partially the outsourcing of security services to a local contracting company. The Advisory Committee was informed that the net impact of the proposed establishment of these 42 posts on the budget for the next financial period is estimated at $399,500. The Committee was also informed that at the moment, 36 outsourced security guards were providing security services. However, based on the United Nations workload standards, 42 United Nations security guards would be required to replace the 36 currently outsourced guards. In addition, the Mission would maintain during the next financial period the services of 27 outsourced external security guards who provide external perimeter security at

the Sukhumi compound. As indicated in the budget submission, the proposal for the establishment of the 42 national General Service posts for security guards is based on a comprehensive review of security services, taking into account the prevailing volatile security situation in some sectors of the Mission area; the existing outsourcing arrangements have proved to be inadequate and do not meet requirements with regard to provision of security services to Mission personnel and visiting delegations. The Committee was also informed that apart from the 36 security guards, the Mission has 9 internal security guards in its Tbilisi liaison office who are not proposed for conversion from outsourced contractors into national General Service-level posts. The Committee was further informed that functions performed by security guards of the Mission include patrolling in the city. **In the opinion of the Advisory Committee, the rationale for this function should be reviewed by the Department of Security and Safety (see para. 19 below).**

18. *Reclassification of three posts of Security Officer (Chief Security Officer, from P-3 to P-4; Deputy Chief Security Officer, from Field Service to P-3; and Assistant Chief Security Officer, from Field Service to P-2 (component 4, support))*. As indicated in the budget submission, the responsibilities of the post of Chief Security Officer comprise four Mission locations, the supervision of outsourced security contracts in Sukhumi and Tbilisi, implementation of the system-wide Minimum Operating Security Standards and the Department of Peacekeeping Operations Mission Security Management Standing Operating Procedures and maintenance of a regular and parallel flow of information to Department of Peacekeeping Operations desk officers, the Situation Centre and to the Department of Security and Safety. The Deputy Chief Security Officer will assist the Chief Security Officer in the provision of security for 120 international staff, 230 national staff and 2 United Nations Volunteers. The reclassification of the post of Assistant Chief Security Officer is proposed, as indicated in the budget submission, owing to the envisaged increase of staff in the Security Office from 81 to 123 and the overall increase in Mission strength to some 500 personnel. The Advisory Committee notes that security services at the Mission are currently being provided by five categories of personnel: (a) internationally recruited Professional and General Service staff; (b) internationally recruited Field Service staff; (c) international Security Service staff; (d) national General Service staff; and (e) outsourced individual contractors. **During its consideration of the matter, the Committee was not provided with adequate information that would allow it to match categories of personnel with particular security functions. The Committee recommends, therefore, that this question be analysed with a view to ensuring that security personnel of UNOMIG are fully capable of undertaking each of the tasks necessary to ensure full security coverage.**

19. **Taking into account the considerations and observations in paragraphs 17 and 18 above, the Advisory Committee recommends that the security set-up of the Mission be thoroughly analysed by the newly established Department of Security and Safety with a view to ensuring its proper configuration as well as transparency, efficacy and cost-effectiveness. The Committee also recommends that the results of the analysis be reflected in the next budget submission for UNOMIG and that no action be taken at this stage with regard to the proposed changes, i.e. the establishment of 42 national General Service posts for security guards and the reclassification of the three Security Officers' posts.**

20. *Establishment of two national General Service staff posts (a Satellite Technician and an Information Technology Assistant (component 4, support)) in the Communications/Information Technology Section.* As indicated in the budget submission, the Satellite Technician would provide technical support to five satellite Earth stations, installations and ancillaries, 14 satellite mobile terminals, 4 mini-M terminals and 5 videoconference installations in the Mission area. The Information Technology Assistant would support the increased information technology service requirements of the civilian police, the Human Rights Office and the Civil-Military Coordination Office in Sukhumi, Tbilisi and Gali owing to the increased number of users and introduction of Web-based software applications. The Advisory Committee was also informed that the requested staff would be required in connection with measures of the Communications/Information Technology Section to improve communication between the offices within the Mission area and to provide disaster recovery and business continuity in case of crisis or deteriorating security. **The Committee recommends the establishment of the requested two national General Service staff posts.**

21. *Establishment of a national General Service staff post for a Finance Assistant (component 4, support)* to address the need for additional capacity in the Finance Unit in order to manage financial operations in four different locations in the Mission area. The Advisory Committee notes that the proposal is made owing to the lack of sufficient banking services in the Mission area. **While the Committee has no objection to the establishment of a national General Service staff post for a Finance Assistant, it trusts that the need for this post will be reviewed as the banking services in the Mission area improve.**

22. *Establishment of two United Nations Volunteers posts (component 4, support),* with responsibilities in the area of disaster recovery and information security. The Advisory Committee notes that this proposal is made in response to its previous recommendation that the Secretariat should continue to make efforts to obtain the services of the United Nations Volunteers for peacekeeping activities in order to supplement the use of international staff (see A/58/759/Add.1, para. 27). **While welcoming this effort, the Committee points out that the Mission was unable to specify exact functions to be assigned to the two United Nations Volunteers posts, nor did it provide justification that any additional functions would be required. The Committee points out in this connection that services of United Nations Volunteers should not necessarily be obtained in addition to international staff, but should rather be added as a supplement to or replacement of international staff, where and when feasible and justified. The Committee was also informed that a disaster recovery plan was not yet in place. The Committee recommends, therefore, that these two United Nations Volunteers only be obtained subsequent to the establishment of a disaster recovery plan and that they should have clearly delineated functions.**

3. Operational costs

Approved 2004/05	*Proposed 2005/06*	*Variance*
$11 672 800	$13 449 900	$1 771 100

23. The additional requirements of $1,771,100 reflect mainly the impact of:

- An increase of $900,500 under facilities and infrastructure owing mainly to the purchase of electrical equipment, safety and security equipment, fire alarm systems and smoke detectors and to the Minimum Operating Residential Security Standards requirements and road and bridge rehabilitation projects
- An increase of $871,400 under air transportation owing to the higher commercial costs of two helicopters as per the new contract
- An increase of $768,000 under communications owing mainly to the increase in transponder lease charges and the introduction of a new costing format for satellite transponder allocations
- An increase of $251,600 under information technology owing mainly to the acquisition of computers, printers and other electronic equipment
- A decrease of $811,400 under ground transportation owing to the acquisition and replacement of fewer vehicles, as compared with the current period.

24. The Advisory Committee was provided with information on projected holdings of vehicles and information technology equipment of the Mission as at 30 June 2006. **On the basis of this information, the Committee concludes that the administration should undertake a thorough review of all acquisitions and replacements of vehicles and information technology equipment with a view to optimizing the related stocks and improving inventory control and reporting. The Committee finds unacceptable that the Mission is planning to have 20 representational vehicles for 5 top-level international staff (1 USG, 2 D-2 and 2 D-1), 2 desktop computers and 1 vehicle for 2 United Nations Volunteers (these posts have not yet been approved) or 92 desktop and 15 laptop computers for the proposed strength of 230 national General Service staff, many of whom do not require computers to perform their functions. While not recommending a reduction in the fleet of vehicles or in the number of information technology equipment, the Committee expects that significant improvements will be made by the Mission in its programme of acquisition and management of vehicles and information technology equipment. Savings resulting from the Mission's efforts should be reflected in the next performance report.**

25. An additional requirement of $677,800 is requested for rental and operation of two MI-8 helicopters. According to the Secretariat, the request is based on cost projections that reflect recent bids for renewal charter contracts for the MI-8 helicopters. **The Advisory Committee points out, however, that the cost projections for helicopters have been made without distinction as to the particular type of MI-8 helicopters that will eventually be used and are rather based on an estimate that covers a whole range of potential costs, including very expensive types that will not in fact be needed. On this basis, there is, in all likelihood, significant over budgeting. The Committee therefore recommends that the requested provision of $1,468,100 for the rental and operation of helicopters be reduced by $300,000. Actual expenditure should be reported in the performance report.**

IV. Conclusion

26. The actions to be taken by the General Assembly are set out in paragraph 22 of the performance report on the budget of UNOMIG for the period from 1 July 2003 to 30 June 2004 (A/59/622) and paragraph 24 of the budget for UNOMIG for the period from 1 July 2005 to 30 June 2006 (A/59/634). **The Advisory Committee recommends that the unencumbered balance of $231,100 for the period from 1 July 2003 to 30 June 2004 be credited to the Member States in a manner to be determined by the General Assembly. The Committee further recommends that other income/adjustments for the period ended 30 June 2004, amounting to $873,000, also be credited to Member States.**

27. **Taking into account its comments in the paragraphs above, the Advisory Committee recommends that the General Assembly appropriate the amount of $34,583,300 for the maintenance of the Mission for the 12-month period from 1 July 2005 to 30 June 2006.**

Documentation

- Report of the Board of Auditors on United Nations peacekeeping operations (A/59/5), vol. II, chap. II)
- Performance report on the budget of the United Nations Observer Mission in Georgia for the period from 1 July 2003 to 30 June 2004 (A/59/622)
- Proposed budget for the United Nations Observer Mission in Georgia for the period from 1 July 2005 to 30 June 2006 (A/58/634)
- Reports of the Secretary-General on the situation in Abkhazia, Georgia (S/2004/822 and S/2005/32)
- Report of the Advisory Committee on Administrative and Budgetary Questions on financing of the United Nations Observer Mission in Georgia (A/58/759/Add.1)
- Security Council resolutions 937 (1994), 1462 (2003), 1494 (2003), 1524 (2004), 1554 (2004) and 1582 (2005)
- General Assembly resolution 57/333 on the financing of the United Nations Observer Mission in Georgia